

GREENLEE COUNTY, ARIZONA
Report on Audit of Annual
Expenditure Limitation Report
Year Ended June 30, 2003

GREENLEE COUNTY
Report on Audit of Annual Expenditure Limitation Report
Year Ended June 30, 2003

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Independent Auditors' Report

Auditor General of the State of Arizona

The Board of Supervisors of
Greenlee County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of Greenlee County, Arizona for the year ended June 30, 2003. This report is the responsibility of the County's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Annual Expenditure Limitation Report of Greenlee County for the year ended June 30, 2003, referred to above, presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature and the Board of Supervisors, and for filing with the Auditor General of the State of Arizona and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

CHRISTENSEN, GALE & MCLAREN, LLP

March 26, 2004

GREENLEE COUNTY
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2003

1. Economic Estimates Commission expenditure limitation			\$ 4,801,097
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)			<u>4,589,579</u>
3. Amount under the expenditure limitation			<u><u>\$ 211,518</u></u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: _____

Name and Title: Kay Gale, County Administrator

Telephone Number: _____ Date: _____

See accompanying notes to report.

GREENLEE COUNTY
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2003

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 5,290,207	\$ 3,811,372	\$ 341,285	\$ 9,442,864
B. Less exclusions claimed:				
Debt service requirements on other long- term obligations (Note 6)	61,281	190,676	341,285	593,242
Dividends, interest, and gains on the sale or redemption of investment securities		19,222		19,222
Trustee of custodian (Note 2)	174,834			174,834
Grants and aid from the federal government (Note 3)	555,241	931,754		1,486,995
Amounts received from the State of Arizona (Note 3)	898,581	889,128		1,787,709
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 3)		736,908		736,908
Contracts with other political subdivisions (Note 3)	<u>54,375</u>	<u>-</u>	<u>-</u>	<u>54,375</u>
Total exclusions claimed	<u>1,744,312</u>	<u>2,767,688</u>	<u>341,285</u>	<u>4,853,285</u>
C. Amounts subject to the expenditure Limitation	<u>\$ 3,545,895</u>	<u>\$ 1,043,684</u>	<u>\$ -</u>	<u>\$ 4,589,579</u>

See accompanying notes to report.

GREENLEE COUNTY
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2003

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
A. Total expenditures or expenses and applicable other financing uses reported within the primary government financial statements	\$ 5,983,993	\$ 3,811,372	\$ 341,285	\$ 10,136,650
B. Deductions:				
Items not requiring use of working capital:				
Community college reimbursement payments pursuant to A.R.S. 15.469.01 (Note 4)	473,779			473,779
Long-term care contributions withheld by the State Treasurer (Note 5)	<u>220,007</u>			<u>220,007</u>
Total deductions	<u>693,786</u>	-	-	<u>693,786</u>
D. Amounts reported on Part II, Line A	<u>\$ 5,290,207</u>	<u>\$ 3,811,372</u>	<u>\$ 341,285</u>	<u>\$ 9,442,864</u>

See accompanying notes to report.

GREENLEE COUNTY
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2003

Note 1 - Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes 41-1279.07, which excludes expenditures or expenses of certain revenues specified in the Arizona Constitution, Article IX 20 from the total expenditures or expenses reported in the annual general purpose financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on Part II and each deduction or addition in the Reconciliation that cannot be traced directly to an amount reported in the annual general purpose financial statements. All references to financial statement amounts in the following notes refer to the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types.

Note 2 - The exclusion claimed for trustee or custodian consists of \$174,834 in contributions by the County to the Arizona Health Care Cost Containment System for acute care and was recorded in welfare expenditures.

Note 3 - The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, other amounts received from the State of Arizona, and highway user revenues in the General and Special Revenue Funds.

	General Funds	Special Revenue Funds
<u>Description</u>		
Grants and aid from the federal government	\$ 555,241	\$ 931,754
Amounts received from the State of Arizona	898,581	889,128
Highway user revenues in excess of those received in fiscal year 1979-1980		736,908
Contracts with other political subdivisions	54,375	
Other revenues(nonexcludable)	<u>1,502,862</u>	<u>532,611</u>
Total intergovernmental revenues as reported in the primary government financial statements	<u>\$ 3,011,059</u>	<u>\$ 3,090,401</u>

GREENLEE COUNTY
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2003

- Note 4 -** The deduction shown for community college reimbursement payments in the General Fund is included in general government expenditures.
- Note 5 -** The amount of transaction privilege taxes withheld by the State Treasurer to meet the County's share of long-term care costs was reported as revenue and an offsetting expenditure in the County's primary government financial statements. Consequently, this expenditure has been deducted on the Reconciliation.
- Note 6 -** The amounts excluded for debt service requirements on other long-term obligations consists of expenditures for capital lease obligations within various functional expenditure categories and expenditures for principal retirement and interest and fiscal charges on certificates of participation in the governmental funds.